

## **FY 2004 State Budget Summary:**

- The Legislature accepted the Governor's FY 2004 General Fund revenue estimate. The normalized growth rate, which excludes the impact of the temporary sales tax increase and all other 2003 Legislative changes, is 4.4% over FY 2003 normalized revenue.
- Including 2003 Legislative changes, FY 2004 base General Fund revenue is expected to grow 17.7% over FY 2003 base revenue.
- Since total General Fund receipts will grow by more than 5.0% in FY 2004 over the previous fiscal year, it will be necessary to transfer 1.0% of FY 2005 General Fund revenue into the Budget Stabilization Fund. This Fund was depleted to help balance the FY 2002 and FY 2003 General Fund budgets.
- Thanks in large part to \$50.0 million in one-time federal flexible assistance funds and \$15.0 million in General Fund Medicaid savings due to a one year increase in the federal match rate, the FY 2004 General Fund budget should end with over a \$70.0 million balance.
- The intent is to carry as much of this money forward into FY 2006 to help absorb the loss of nearly \$178.0 million in revenue when the temporary 6.0% sales tax rate returns to 5.0%.
- Should the FY 2004 General Fund unexpended, unencumbered ending balance exceed \$77.2 million, HB 805 appropriates \$5.0 million in General Fund and \$3.8 million in other funds to state departments to fund a 1.0% one-time employee compensation increase. This one-time contingency appropriation is in addition to the 2.0% ongoing employee compensation increase provided in FY 2005 appropriations.

## FY 2004 GENERAL FUND COMPARATIVE SUMMARY

REVENUES:	Revised		Difference
	<u>Exec. Budget</u>	<u>Appropriation</u>	
Beginning balance	\$15,745,000	\$15,745,000	\$0
FY 2004 normalized revenue estimate (4.4% growth over FY 2003)	1,828,260,000	1,828,260,000	0
Raise the sales tax from 5.0% to 6.0% through June 2005 (HB 400)	170,460,000	170,460,000	0
Raise the cigarette tax from 28 to 57 cents through June 2005 (HB 452)	22,150,000	22,150,000	0
All other 2003 legislation that impacts General Fund revenue	5,370,000	5,370,000	0
Federal Tax Relief Reconciliation Act flexible assistance funds	50,000,000	50,000,000	0
IRS conformance to provide a depreciation bonus (HB 720)	(1,500,000)	(1,500,000)	0
Transfer to State Refund Fund for a property tax exemption (IC 63-3067)	(13,448,100)	(13,448,100)	0
Transfers to Deficiency Warrant Funds (Note 1)	(11,915,500)	(11,920,600)	(5,100)
Transfers to other funds (Note 2)	(669,500)	(812,000)	(142,500)
<b>Total Funds Available</b>	<b>\$2,064,451,900</b>	<b>\$2,064,304,300</b>	<b>(\$147,600)</b>
<b>EXPENDITURES:</b>			
FY 2004 original appropriation	\$2,004,053,000	\$2,004,053,000	\$0
Prior year reappropriations	2,061,300	2,061,300	0
Positive supplementals	4,202,300	4,180,200	(22,100)
Negative supplementals/reversions	(17,000,000)	(18,500,000)	(1,500,000)
<b>Total Expenditures</b>	<b>\$1,993,316,600</b>	<b>\$1,991,794,500</b>	<b>(\$1,522,100)</b>
 <b>Projected Ending Balance</b>	 <b>\$71,135,300</b>	 <b>\$72,509,800</b>	 <b>\$1,374,500</b>

### Notes:

- FY 2004 transfers to Deficiency Warrant Funds are:
  - HB 504 - \$11,600,000 to the Dept. of Lands Fire Suppression Fund;
  - HB 504 - \$223,500 to the Dept. of Agriculture's Pest Eradication Fund; and
  - HB 504 - \$92,000 (Exec. Budget) and \$97,100 (Approp.) to the Military Division's Hazardous Substances Response Fund.
- FY 2004 transfers to other funds are:
  - HB 460 (2003 session) - \$167,000 to the Secretary of State's Democracy Fund;
  - HB 843 - \$520,000 to the Dept. of Water Resources Water Management Fund (in Appropriation only);
  - Executive Order 2003-15 - \$125,000 to the Disaster Emergency Fund; and
  - No bill - \$377,500 to the School Bond Levy Equalization Fund (in Exec. Budget only). The Legislature funded this in the Public School FY 2005 appropriation.

**FY 2004 GENERAL FUND APPROPRIATIONS AND EXPENDITURES**

<b>Department</b>	<b>Original Appropriation</b>	<b>Reappro- priations</b>	<b>Positive Supplementals</b>	<b>Negative Supplementals</b>	<b>Estimated Expenditures</b>
<b>General Government:</b>					
Administration, Dept.	\$8,814,700	\$0	\$0	\$0	\$8,814,700
Attorney General	13,891,400	402,700	0	0	14,294,100
Controller, State	5,046,900	0	0	0	5,046,900
Governor, Office	1,412,700	0	0	0	1,412,700
Governor, Executive Office	14,462,500	0	0	0	14,462,500
Legislative Branch	9,186,000	0	0	0	9,186,000
Lieutenant Governor	114,500	0	0	0	114,500
Revenue and Taxation, Dept.	24,470,700	0	0	0	24,470,700
Secretary of State	1,983,700	0	0	0	1,983,700
Treasurer, State	<u>1,186,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,186,900</u>
<b>Total General Government</b>	<b>80,570,000</b>	<b>402,700</b>	<b>0</b>	<b>0</b>	<b>80,972,700</b>
<b>Public Safety:</b>					
Correction, Dept.	109,000,000	0	0	(1,000,000)	108,000,000
Judicial Branch	24,474,000	0	0	0	24,474,000
Juvenile Corrections, Dept.	31,648,200	1,205,400	0	(1,000,000)	31,853,600
Police, Idaho State	<u>16,978,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,978,400</u>
<b>Total Public Safety</b>	<b>182,100,600</b>	<b>1,205,400</b>	<b>0</b>	<b>(2,000,000)</b>	<b>181,306,000</b>
<b>Health &amp; Human Services:</b>					
Catastrophic Health Care	8,126,700	0	4,000,000	0	12,126,700
Health and Welfare, Dept.	375,810,800	0	0	(15,000,000)	360,810,800
Public Health Districts	<u>9,166,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,166,300</u>
<b>Total Health &amp; Hum. Serv.</b>	<b>393,103,800</b>	<b>0</b>	<b>4,000,000</b>	<b>(15,000,000)</b>	<b>382,103,800</b>
<b>Education:</b>					
Agr. Research and Extension	23,816,600	100	0	0	23,816,700
College and Universities	218,000,000	5,300	0	0	218,005,300
Community Colleges	19,223,900	0	0	0	19,223,900
Deaf and Blind School	7,183,600	0	0	0	7,183,600
Educ., Office of State Board	5,067,500	6,900	0	(1,500,000)	3,574,400
Health Education Programs	7,525,700	15,700	0	0	7,541,400
Historical Society	1,923,700	0	0	0	1,923,700
Library, State	2,418,600	0	0	0	2,418,600
Professional-Technical Educ.	44,219,700	13,500	0	0	44,233,200
Public Broadcasting	1,528,200	0	0	0	1,528,200
Public Schools	943,000,800	0	0	0	943,000,800
Special Programs	9,628,300	0	0	0	9,628,300
Super. of Public Instruction	5,130,900	0	0	0	5,130,900
Vocational Rehabilitation	<u>3,673,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,673,000</u>
<b>Total Education</b>	<b>1,292,340,500</b>	<b>41,500</b>	<b>0</b>	<b>(1,500,000)</b>	<b>1,290,882,000</b>
<b>Economic Development:</b>					
Agriculture, Dept.	9,357,400	0	147,200	0	9,504,600
Commerce, Dept.	6,242,500	0	11,900	0	6,254,400
Labor, Dept.	435,800	0	0	0	435,800
Self-Governing Agencies	<u>3,421,700</u>	<u>0</u>	<u>8,500</u>	<u>0</u>	<u>3,430,200</u>
<b>Total Econ. Development</b>	<b>19,457,400</b>	<b>0</b>	<b>167,600</b>	<b>0</b>	<b>19,625,000</b>
<b>Natural Resources:</b>					
Environmental Quality, Dept.	15,146,000	0	0	0	15,146,000
Lands, Dept.	4,773,000	0	0	0	4,773,000
Parks and Recreation, Dept.	6,642,500	411,700	0	0	7,054,200
Water Resources, Dept.	<u>9,919,200</u>	<u>0</u>	<u>12,600</u>	<u>0</u>	<u>9,931,800</u>
<b>Total Natural Resources</b>	<b>36,480,700</b>	<b>411,700</b>	<b>12,600</b>	<b>0</b>	<b>36,905,000</b>
<b>State Totals</b>	<b>\$2,004,053,000</b>	<b>\$2,061,300</b>	<b>\$4,180,200</b>	<b>(\$18,500,000)</b>	<b>\$1,991,794,500</b>

**FY 2004 SUPPLEMENTAL COMPARISON**

Department	Item	FTP		General Fund		Total Funds	
		EB	App.	Exec. Bud.	Approp.	Exec. Bud.	Approp.
Military Division	Office of Domestic Preparedness grants	3.00	3.00	\$0	\$0	\$81,700	\$81,700
	Non Gen. Fund Haz. Substances Fund transfer	0.00	0.00	0	0	0	200,000
Correction, Dept.	Operations locking system displacement	0.00	0.00	0	0	0	0
	Remove the dept.'s contingency appropriation	0.00	0.00	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
	SICI annex operations for 100 additional beds	0.00	0.00	0	0	0	0
	IMSI lock replacement staffing (one-time)	0.00	0.00	46,600	0	46,600	0
	ICC more spending authority for inmate revenue	0.00	0.00	0	0	80,000	80,000
Idaho State Police	State interoperability staff	2.00	2.00	0	0	54,700	54,700
Juvenile Corr., Dept.	Remove most of its prior year reappropriation	0.00	0.00	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Catastrophic Hlth. Care	Anticipated higher health care costs *	0.00	0.00	4,000,000	4,000,000	4,000,000	4,000,000
Health & Welfare, Dept.	Physical Health Prog. - food inspection receipts	0.00	0.00	0	0	100,000	100,000
	Self-Reliance Prog. - CHIP access card costs	20.00	0.00	0	0	172,200	0
	Medicaid Prog. - CHIP access card costs	4.50	0.00	0	0	44,800	0
	Medicaid Prog. - one-time match rate savings **	0.00	0.00	0	(15,000,000)	0	(57,526,400)
Office St. Board Educ.	State student assessment funding reduced ***	0.00	0.00	0	(1,500,000)	0	(1,500,000)
Super. Public Instruc.	Transfer \$110,000 from OE to PC to add 2 FTP	2.00	2.00	0	0	0	0
	Additional high performance schools funding	0.00	0.00	0	0	200,000	200,000
	Additional federal operating expenditures	0.00	0.00	0	0	1,000,000	1,000,000
Agriculture, Dept.	Specialty crop federal grant interest (one-time)	0.00	0.00	147,200	147,200	147,200	147,200
Commerce, Dept.	Aquaculture development specialist	0.00	1.00	0	11,900	0	11,900
Insurance, Dept.	Federal Medicare educ. partnership program	1.00	1.00	0	0	16,100	16,100
Occupational Licenses	Drinking/Waste Water certification program	0.00	2.00	0	0	0	60,500
Veterinary Med., Board	Increased Personnel Cost obligations	0.00	0.00	0	0	0	0
St. Board of Examiners	County legal costs related to state inmates	0.00	0.00	8,500	8,500	8,500	8,500
Lands, Dept.	Non General Fund fire suppression costs	0.00	0.00	0	0	900,000	900,000
Water Resources, Dept.	Residential housing energy efficiency funds	0.00	0.00	0	0	41,000	41,000
	Technical engineer position	0.00	1.00	0	12,600	0	12,600
<b>Totals</b>		<b>32.50</b>	<b>12.00</b>	<b>\$2,202,300</b>	<b>(\$14,319,800)</b>	<b>\$4,892,800</b>	<b>(\$54,112,200)</b>

\* The Executive Budget recommended this as one-time. The Appropriation provided it as an ongoing item so it is included in the FY 2005 Base.

\*\* The Executive Budget treated this as a FY 2004 current year adjustment rather than as a negative supplemental. The end result is the same.

\*\*\* The General Fund reduction in the Appropriation is replaced with federal funds that have been reflected as a FY 2004 current year adjustment.